

STOCKTON EVENTS CENTER

March 2, 2004

Mark Lewis,
City Manager

DOWNTOWN STOCKTON



COUNCIL GOAL

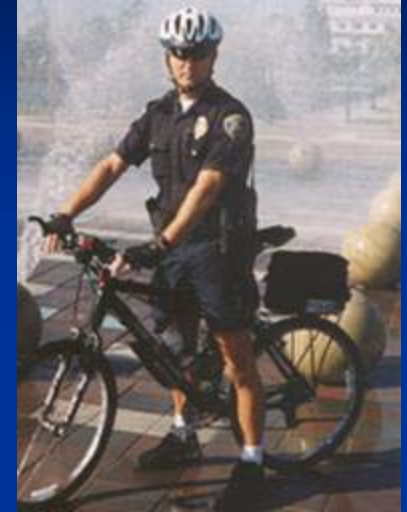


Revitalize Downtown & The Waterfront

Keys to Downtown Revitalization



- Clean-up and Public Safety
- Public Investment
- Public/Private Partnerships
- Private Investment



CATALYST PROJECTS



Weber Point Events Center

CATALYST PROJECTS



Dean DeCarli Waterfront Square

CATALYST PROJECTS



Stewart-Eberhardt Building

CATALYST PROJECTS



City Centre Cinemas

CATALYST PROJECTS

The dramatic restoration of the Hotel Stockton continues!!

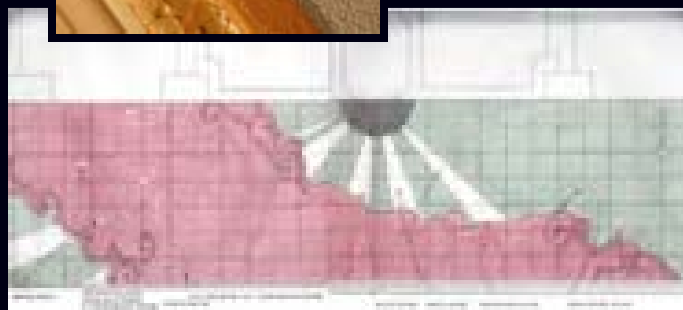
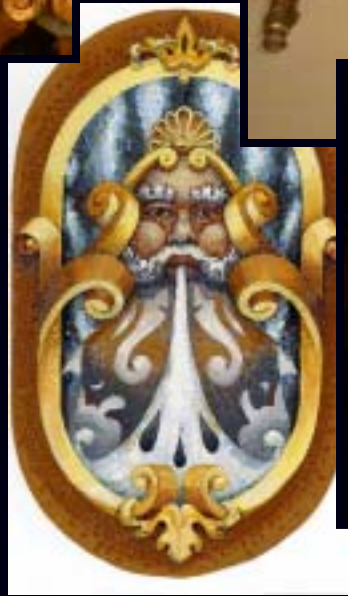
- 25,000 sq ft. retail
- 96 studio and 60 one-bedroom units
- Basement parking
- Rooftop garden restaurant
- December 2004 opening



Bob Hope Fox California Theatre

Renovation in progress

Grand Opening--Fall 2004



COG OFFICE BUILDING

3-story, 30,000 sq. ft. building

55 on-site parking spaces

December 2003 Grand Opening



SOUTHERN PACIFIC DEPOT



Renovation – Opened Fall, 2003

SPECIAL EVENTS



**4th of July
Waterfest**



SPECIAL EVENTS



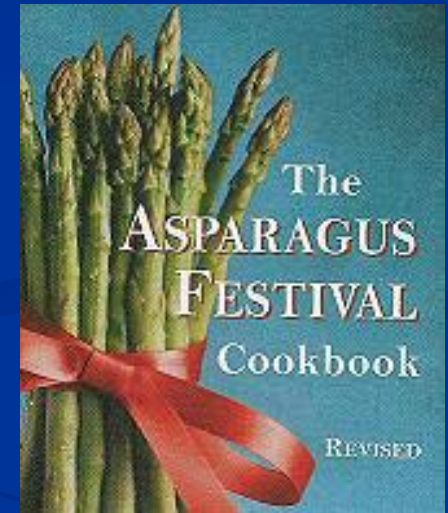
Festival of Lights

SPECIAL EVENTS



Farmers Market

SPECIAL EVENTS



**Asparagus Festival – coming Downtown April 23rd
through April 25th !**

CHANNEL DISTRICT PROJECTS



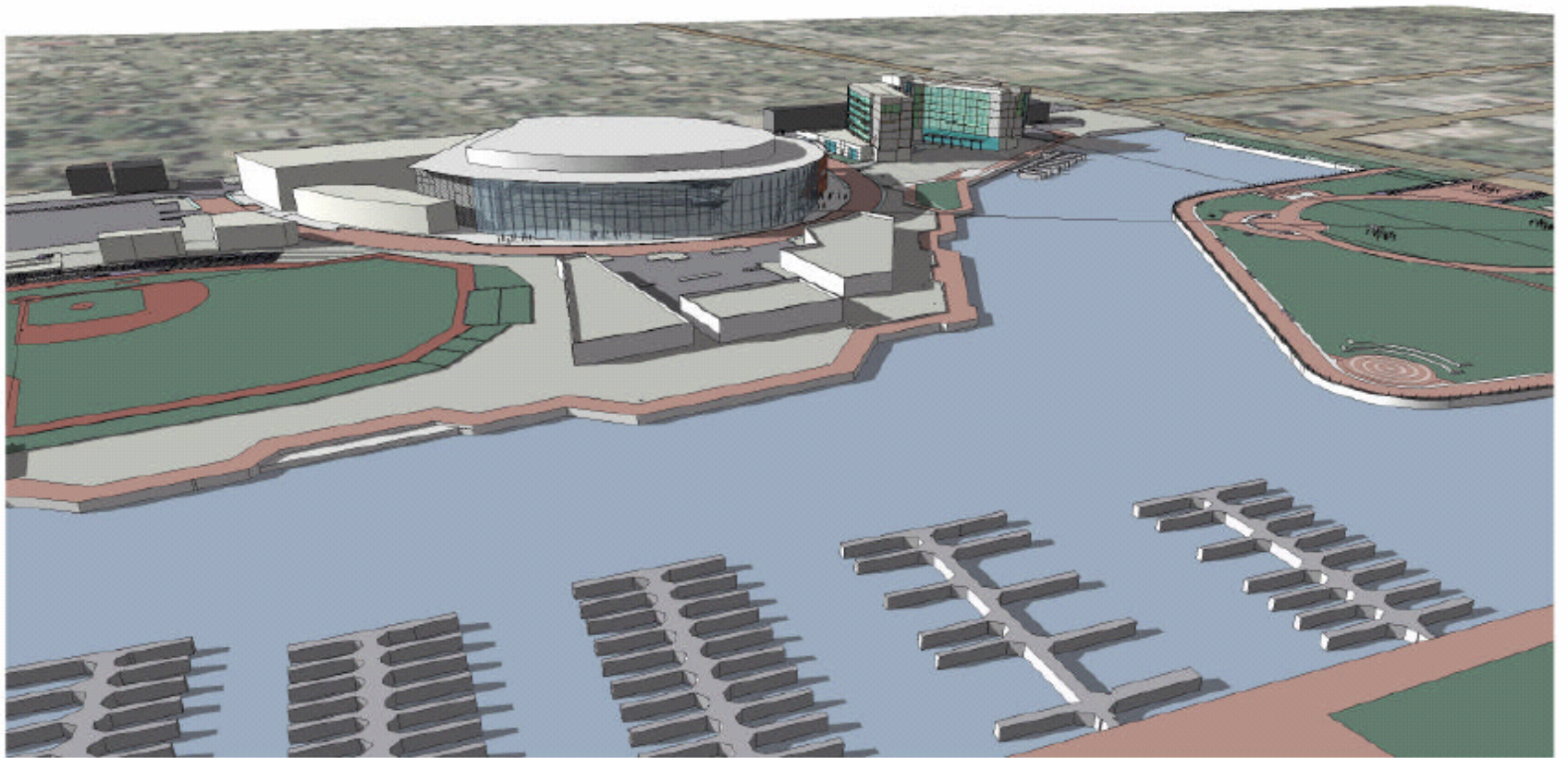
CHANNEL DISTRICT ACTION TEAM

- Regent Development
- IFG
- Stockton Ports
- Financial Advisory Sub-Team

MASTER SITE PLAN



3-D SITE VIEW



PROJECT COMPONENTS

- Arena – 10,000 seats/24 suites
- Baseball Stadium – 5,000 seats/4 suites
- 150 room Hotel with 10,000 square foot Conference Center
- 60,000 square feet of retail/restaurants
- 650 space parking structure
- Public plazas, landscaping, loop road

ARENA



ARENA



BASEBALL PARK



View of the primary entrance on the north side of the Park

BASEBALL PARK



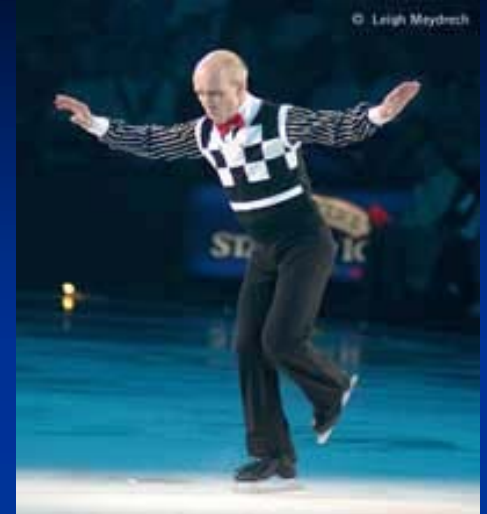
Entrance to Baseball Park

PROJECT GOALS AND BENEFITS

- **Attract people Downtown during day and evening hours**
- **Provide entertainment opportunities**
- **Provide meeting facilities for conventions, conferences, and business meetings**
- **Provide economic benefits to area and City**
- **Revitalize a blighted area**

Entertainment Opportunities:

**The Events Center Arena
will provide a venue for
family-oriented events ...**



Entertainment Opportunities:

Community Events, such as graduations and trade shows ...



Entertainment Opportunities:

...and Sporting Events.

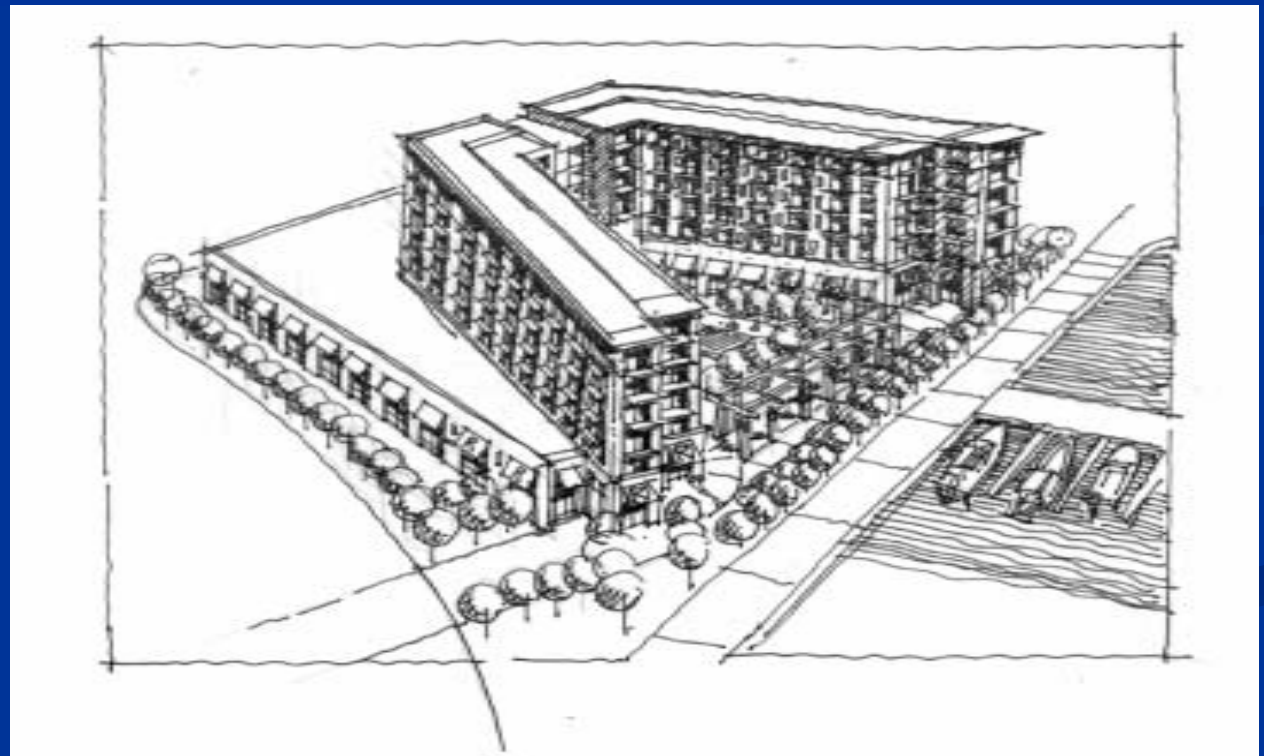


FOUR SPORTS TEAMS

- Stockton Ports
- ECHL Ice Hockey
- MISL Indoor Soccer
- AF2 Arena Football

Provide Needed Meeting Facilities:

**10,000 square feet of meeting space in the Hotel
and 5,000 square feet in the Arena**



Provide Economic Benefits:

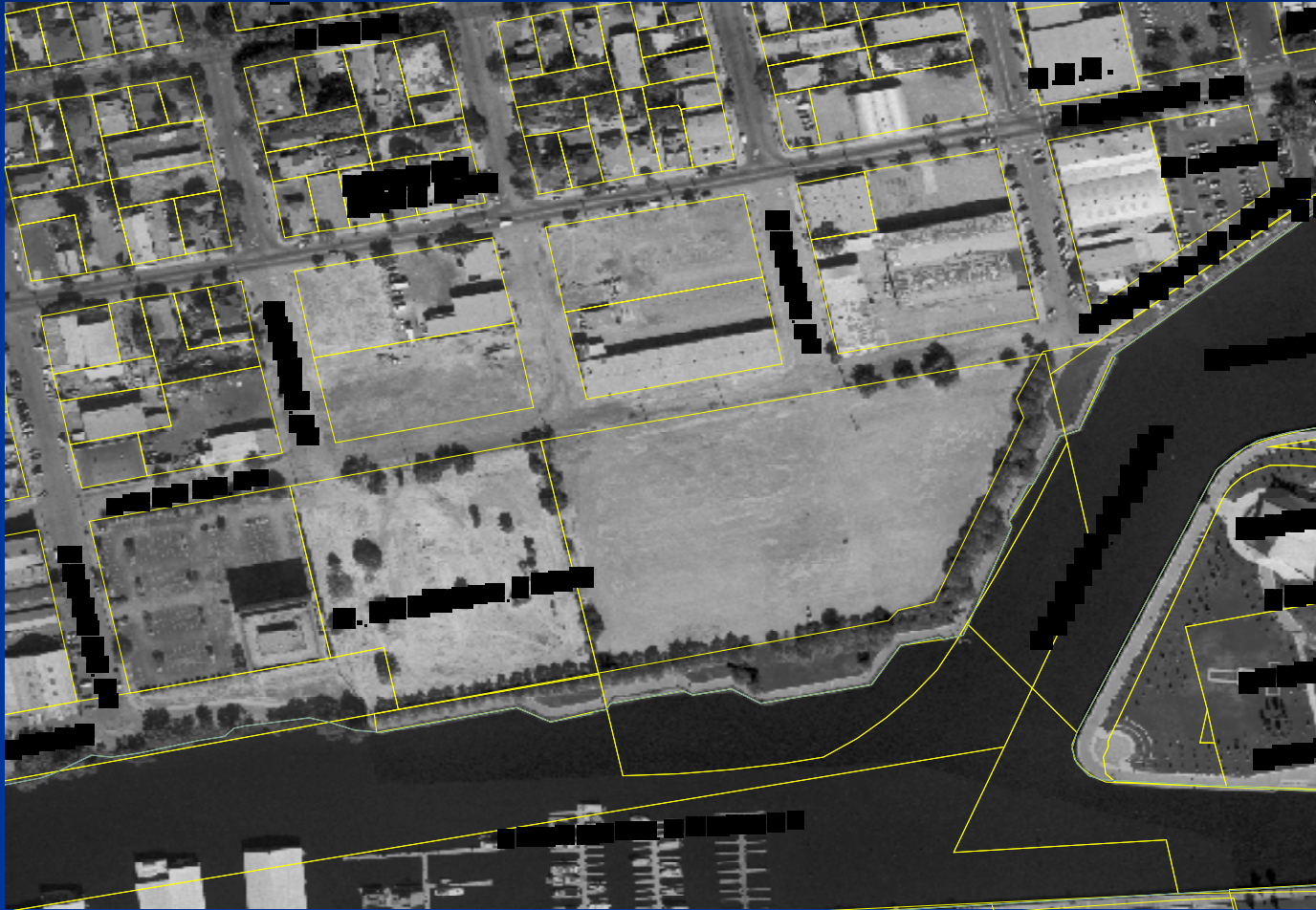
■ Direct Benefits:

- Over 200 new jobs (Full Time Equivalents)**
- Over 700,000 attendees annually**
- 30% of families expected to be from outside of the County**

■ Indirect Benefits:

- Additional retail/service jobs and tax revenue**

Revitalize a Blighted Area:



PROJECT HISTORY

- **April 2002 – Received report from Economic Research Associates indicating that Stockton could support an arena and hotel/meeting facility complex**
- **July 2002 – Council issued Request For Proposal for development and management services for project**
- **February 25, 2003 – Council entered into an Exclusive Negotiating Rights Agreement with Regent Development**

PROJECT HISTORY (cont.)

- **June and August 2003 – Consulting Services Agreement for Pre-Construction Services**
- **October 2003 – Preliminary Public Improvements Budget Approved (see following slides)**
- **November, 2003 – Awarded Contract for Pre-Construction Services and development of Guaranteed Maximum Price to Swinerton Builders**
- **December, 2003 – Approved Environmental Impact Report**

Project Financing

Uses of Funds

■ Arena	\$ 66.5 million
■ Stadium	\$ 16.6 million
■ Public Improvements	\$ 7.5 million
■ Other	<u>\$ 22.9 million</u>
■ Total	\$113.5 million

Project Financing

Sources of Funds

■ Infrastructure Reinvestment	\$56.9 million
■ Public Facilities Fees	\$13.0 million
■ Bond Issuance	\$37.2 million
■ Other Sources	<u>6.4 million</u>
■ Total	\$113.5 million

Preliminary Proforma

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenue					
Gate and Rent	597,000	639,000	662,000	686,000	716,000
Reimbursed Expenses	445,000	477,000	491,000	519,000	539,000
Concessions/Novelties/Catering	892,800	932,000	953,000	977,600	1,004,600
Parking	30,000	31,000	35,000	35,000	39,000
Premium Seating	750,000	750,000	750,000	750,000	750,000
Advertising/Naming Rights	676,000	684,000	714,000	727,000	741,000
Facility Service Fee	546,000	554,000	552,000	552,000	552,000
Other Revenue	<u>140,000</u>	<u>145,000</u>	<u>149,000</u>	<u>151,000</u>	<u>154,000</u>
Total Revenues	\$4,076,800	\$4,212,000	\$4,306,000	\$4,397,600	\$4,495,600
Operating Expense					
Salary/Benefits	1,650,000	1,722,000	1,765,000	1,808,000	1,854,000
General/Administrative/Insurance	505,000	518,475	532,187	544,141	557,345
Advertising	130,000	133,250	136,581	139,996	143,496
Miscellaneous	110,000	112,750	115,569	118,458	121,419
Communication/Utilities/Repair	<u>945,000</u>	<u>982,000</u>	<u>1,005,000</u>	<u>1,031,000</u>	<u>1,057,000</u>
Total Expenses	\$3,340,000	\$3,468,475	\$3,554,337	\$3,641,595	\$3,733,260
Net Operating Income	\$736,800	\$743,525	\$751,663	\$756,005	\$762,340
Management Fee/Team Share	\$540,000	\$549,720	\$560,714	\$571,929	\$580,508
Deposit to Maintenance Reserve Account	175,157	177,723	177,082	177,082	177,082
Net Income	\$21,643	\$16,082	\$13,867	\$6,995	\$4,751³⁸

PROJECT HISTORY (cont.)

- **Additional Activities Completed:**
 - ✓ **Master Site Planning**
 - ✓ **Programming and Design of Ballpark and Arena**
 - ✓ **Infrastructure Design**
 - ✓ **Financing**

ITEMS BEFORE COUNCIL:

8.01 a) Acceptance of Staff Report and authorization for City Manager to take any necessary action to implement the proposed Stockton Event Center Project

8.01 b) Development Coordination Agreement between City, Agency, and Regent Development

- **Provides terms and compensation to be paid to Regent to serve as City's authorized representative and day-to-day project management during construction**
- **Recommended for approval (7-0) by the Redevelopment Commission**

8.01 c) Establish Guaranteed Maximum Price and Approve Phase II of Contract with Swinerton Builders

- Establishes a Not-to-Exceed Guaranteed Maximum Price:**
 - Arena** **\$51,500,000**
 - Ballpark** **\$15,500,000**
 - Public Improvements** **\$ 6,800,000**
- Approves Construction Phase of Swinerton's Contract**

8.01 d) Facilities Management Agreement between the City and IFG – Stockton, Inc.

- **Establishes responsibilities for IFG's operation of the Stockton Events Center, Fox Theatre, and Oak Park Ice Skating Rink, including:**
 - **Pre-opening Responsibilities**
 - **Operating Responsibilities**
 - **Compensation for their services and term of agreement (Initial period of 10 years)**
 - **IFG's responsibilities in obtaining AF2 and ECHL Ice Hockey teams**

8.01 e) License Agreement between the City and 7th Inning Stretch

- **Provides terms under which the Stockton Ports will utilize the Baseball Park, including:**
 - **25-year license with two 7-year renewal options**
 - **Payment of license fee of \$1.2 million by Ports**
- **Billy Hebert Field:**
 - **Field will be used for other baseball activities (i.e., Babe Ruth) and operating funds will transfer to new field.**

8.01 f) Lease Agreement with IFG – Stockton Franchise Group, Inc. for an Arena Football 2 Team

- Provides terms under which an AF2 team will utilize the Arena for all home games, including:
 - 5 year guaranteed initial term with three 5-year options
 - Lease payments and revenue sharing agreements
- AF2 Team will play 9 regular home games/year with average attendance of 5,952 (total attendance of 53,568 per year)

8.01 g) Lease Agreement with IFG – Stockton Franchise Group, Inc. for an ECHL Hockey Team

- Provides terms under which an ECHL Ice Hockey team will utilize the Arena for all home games, including:
 - 10 year guaranteed initial term with two 5-year options
 - Lease payments and revenue sharing agreements
- Ice Hockey Team will play 36 regular home games/year with average attendance of 4,702 (total attendance of 169,272 per year)

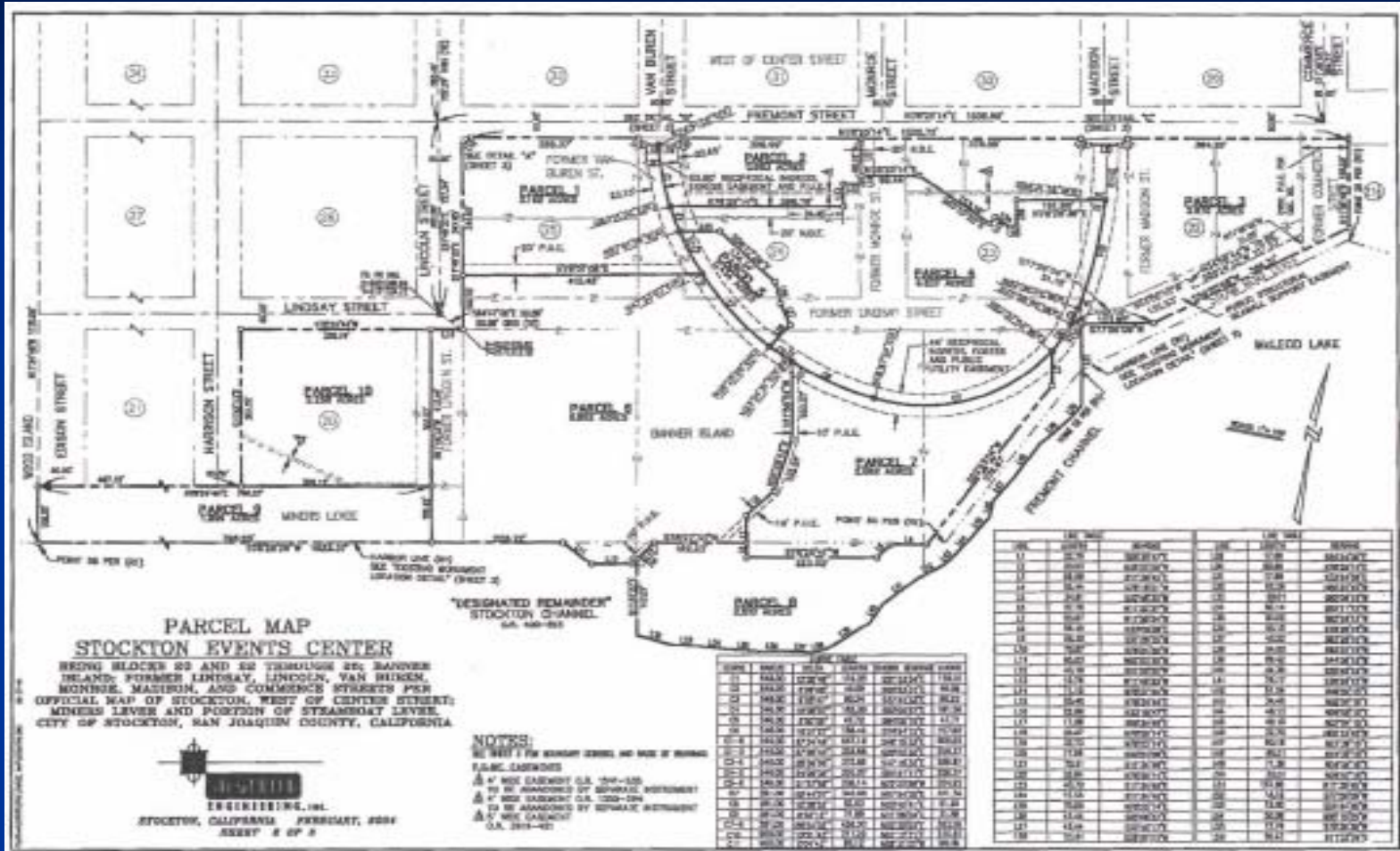
8.01 h) Lease Agreement with American ProSports, Inc. for a MISL Indoor Soccer Team

- Provides terms under which a MISL Indoor Soccer team will utilize the Arena for all home games, including:
 - 3 year guaranteed initial term with five 1-year options
 - Lease payments and revenue sharing agreements
- The MISL Soccer Team will play 20 regular home games/year with average attendance of 4,452 (total attendance of 80,136 per year)

8.01 i) Exclusive Negotiating Rights Agreement for the Marina Retail Development with the City, Agency, and Regent Development

- **Six-month negotiating period**
- **Basic terms have been negotiated:**
 - **Will include approximately 38,000 sq. ft. of retail and restaurant uses**
 - **Developer will obtain three restaurant tenants within 18-months of signing Development Agreement**
- **Redevelopment Commission Recommended Approval**

8.01 j) Parcel Map for Events Center Site



Resubdivision of existing 12 parcels into 10 parcels, with each major component of the Events Center on a separate parcel

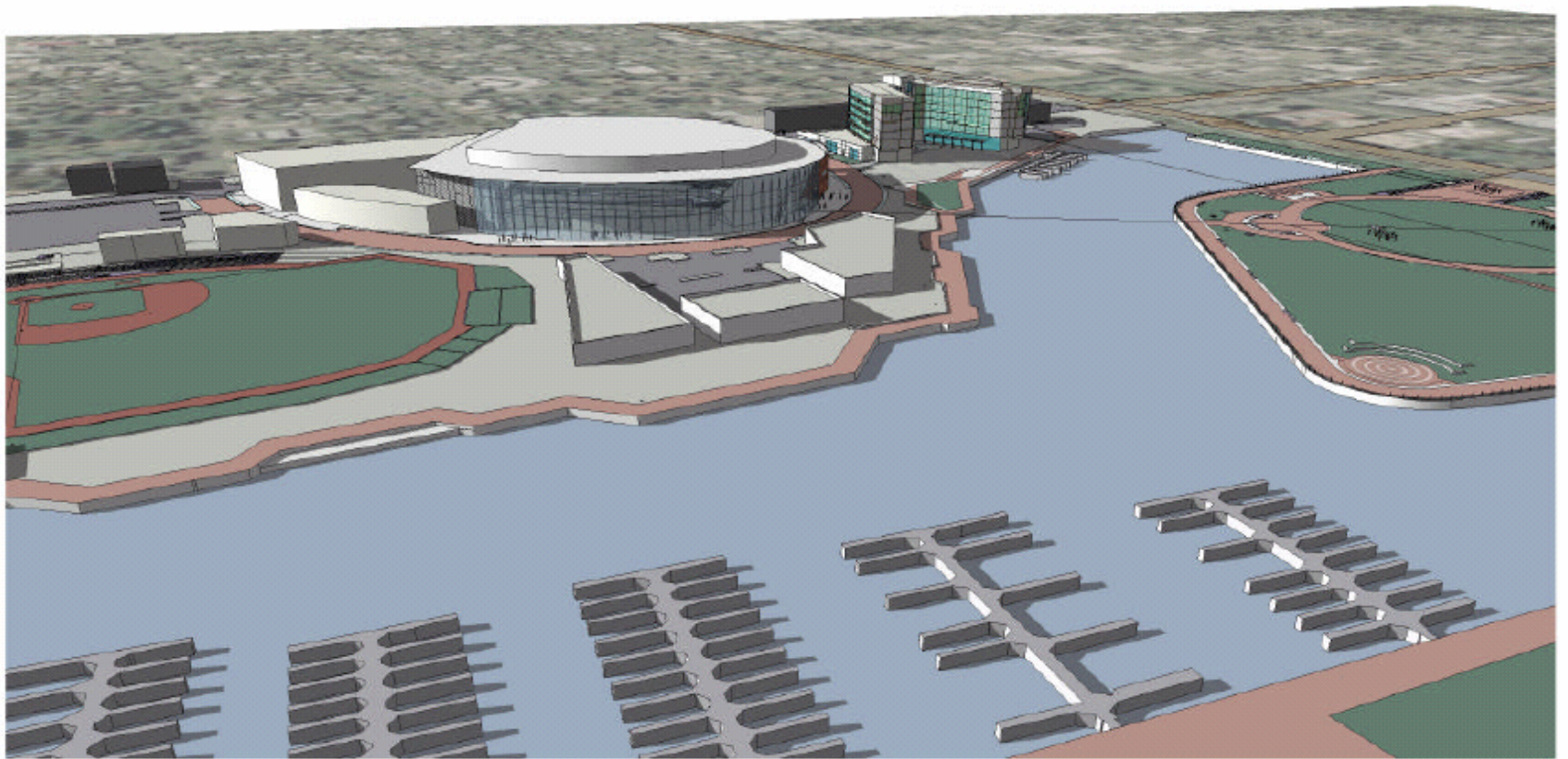
9.01) Bond Sales

- **Arena will be partially funded with revenue from the sale of tax increment bonds**
 - **Approximately \$37 million in revenue proceeds from bonds (principal amount of not-to-exceed \$47 million)**
 - **Tax Exempt issuance**
 - **Bonds secured by Tax Increment from Redevelopment Agency**
 - **Recommended for approval by the Redevelopment Commission (7-0)**

9.02) Disposition and Development Agreement between the Agency and Regent Hotel, LLC

- **Outlines terms under which Regent will develop a 150 room hotel/10,000 sq. ft. conference center/associated parking**
 - **Requires development to 3-star or higher standard**
 - **Agency will acquire property from City then sell to Regent for \$1.**
 - **Sale of property will be a catalyst for construction of approx. \$25 million facility**

3-D SITE VIEW



ADDITIONAL CITY MANGER COMMENTS

REQUESTED ACTIONS:

- 8.01 a) City Council and Redevelopment Agency are requested to accept the Staff Report and adopt a resolution authorizing the City Manager to take necessary actions to implement proposed Stockton Events Center project.**
- 8.01 b) City Council and Redevelopment Agency adoption of a resolution approving a Development Coordination Agreement among the City, Redevelopment Agency and Regent Development, Inc.**

REQUESTED ACTIONS:

- 8.01 c) City Council adoption of a resolution establishing a maximum Guaranteed Maximum Price and approving an Amendment to the Existing Contract with Swinerton Builders**
- 8.01 d) City Council adoption of a resolution approving a Facilities Management Agreement with IFG-Stockton, Inc.**
- 8.01 e) City Council adoption of a resolution approving a License Agreement with 7th Inning Stretch, LLC.**

REQUESTED ACTIONS:

8.01 f) City Council adoption of a resolution approving a Lease Agreement with IFG-Stockton Franchise Group, LLC for the use of the Arena for an Arena Football 2 Team

8.01 g) City Council adoption of a resolution approving a Lease Agreement with IFG-Stockton Franchise Group, LLC for the use of the Arena for an ECHL Ice Hockey Team

8.01 h) City Council adoption of a resolution approving a Lease Agreement with American ProSports for the use of the Arena for a MISL Indoor Soccer Team

REQUESTED ACTIONS:

- 8.01 i) City Council and Redevelopment Agency adoption of a resolution approving an Exclusive Negotiating Rights Agreement for the Marina Retail Development with Regent Development, Inc.**
- 8.01 j) City Council adoption of a resolution approving the resubdivision of City owned property and authorizing the City Manager to accept offers of dedication and authorizing recordation of the map**

REQUESTED ACTIONS:

9.01) Accept staff recommendations as included in the Staff Report

9.02) Accept staff recommendations as included in the Staff Report

STOCKTON EVENTS CENTER

March 2, 2004

Mark Lewis,
City Manager